

LATINX IN FOCUS

— POLICY BRIEF —

THE STATE OF HOUSING FOR LATINX IN MINNESOTA

FEBRUARY 2021



THE STATE OF HOUSING FOR LATINX IN MINNESOTA – SUMMARY



An estimated 315,000 Minnesotans are Hispanic or Latino, 5.6 percent of Minnesota's population. Twelve counties in the southern half of the state have 1,000 or more Latino households.

The Homeownership Gap: 77 percent of White Minnesotans are homeowners compared to just 49 percent of Latinos. Differences in age, income, wealth, and extended family resources, credit scores, and knowledge of the homebuying process all contribute to this gap. Bank lending discrimination is also a factor in the gap.

Manufactured Homes, Affordable & At Risk: Living in manufactured home parks is very affordable, and Latinos make up a disproportionately large share of the state's 180,000 park residents. However, manufactured home park residents often have poor living conditions due to aging infrastructure. Park closures also leave them at risk of displacement.

Lack of Affordability & Other Challenges: Because Latinos and other people of color are more likely to be renters than homeowners and have lower incomes on average than Whites, they are almost twice as likely as White Minnesotans to live in housing that is unaffordable. Latino immigrant families are more likely to live in substandard housing units and more vulnerable to exploitation by landlords.

Pandemic & Responses: After adjusting for age, Latinos are more likely to have been sick, hospitalized, and laid off than other Minnesotans during the pandemic, leaving many families at risk of eviction. However, eviction moratoriums have thus far led to a substantial decrease in the number of eviction filings. Though Latino immigrant families have less access to certain relief funds, housing assistance programs have helped many of those struggling to make housing payments.

Policy Recommendations:

- *Ensure Latino immigrant families can access the COVID-19 Emergency Rental Assistance Program and other emergency funds to prevent evictions and foreclosures once moratoriums end.*
- *Preserve affordable rental units and manufactured home parks and strengthen residents' rights to purchase their buildings and manufactured home parks before developers.*
- *Facilitate homeownership by increasing funding for financial assistance (for down payments and closing costs) and new homeowner counseling.*
- *Use public funds to incentivize building more affordable housing and more housing in general as well as to fund repairs and improvements to existing affordable rental units and manufactured home park infrastructure.*



THE STATE OF HOUSING FOR LATINX¹ IN MINNESOTA



Where do Latinos live in Minnesota?

An estimated 315,000 Minnesotans are Hispanic or Latino,² about 5.6 percent of Minnesota's population in 2019.³ There are an estimated 76,000 Latino households in Minnesota. Table 1 below shows the twelve Minnesota counties with 1,000 or more Latino households. The majority of Minnesota Latinos live in the Twin Cities metro area. Six of the seven counties with the most Latino households are in this region. Six counties in the Southern, Southwest, and Central regions of the state also have more than 1,000 Latino households.⁴ Figure 1 presents the geographical distribution of these counties. It shows that Minnesota's Latino population is concentrated in the southern half of the state.

TABLE 1. MINNESOTA COUNTIES WITH MORE THAN 1,000 HISPANIC HOUSEHOLDS

COUNTY	LARGEST CITIES	REGION	NUMBER OF HISPANIC HOUSEHOLDS	HISPANIC POPULATION
Hennepin	Minneapolis, Bloomington, Brooklyn Park	Twin Cities	22,270	88,473
Ramsey	St Paul, Maplewood, Roseville	Twin Cities	10,345	41,349
Dakota	Lakeville, Eagan, Burnsville	Twin Cities	7,582	32,425
Anoka	Blaine, Coon Rapids	Twin Cities	3,598	17,370
Washington	Woodbury, Cottage Grove	Twin Cities	2,633	11,702
Olmsted	Rochester	Southern	2,150	8,219
Scott	Shakopee, Savage	Twin Cities	1,694	7,884
Nobles	Worthington	Southwest	1,472	6,354
Kandiyohi	Willmar	Southwest	1,416	5,444
Stearns	St Cloud, Sartell	Central	1,254	5,737
Rice	Faribault, Northfield	Southern	1,192	5,689
Mower	Austin	Southern	1,042	4,897
MINNESOTA STATEWIDE			75,706	315,130

Sources: [Demographic Characteristics for Occupied Housing Units. \(2019\). U.S. Census Bureau, Annual County Resident Population Estimates by Age, Sex, Race, and Hispanic Origin: Minnesota. \(2019\). U.S. Census Bureau.](#)

¹ Although Latino by statute, MCLA often uses Latinx or Latine as a gender neutral/inclusive term. These terms are used interchangeably with Hispanic or Latino.

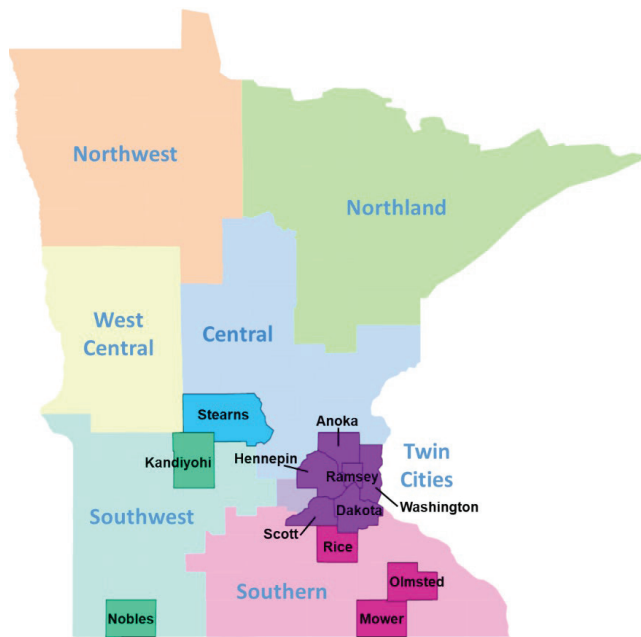
² [Population by race. \(2021\). Minnesota Compass.](#)

³ [U.S. Census Bureau QuickFacts: Minnesota. \(2019\). U.S. Census Bureau.](#)

⁴ [Demographic Characteristics for Occupied Housing Units. \(2019\). U.S. Census Bureau.](#)



FIGURE 1. LOCATION OF MINNESOTA COUNTIES WITH LARGE HISPANIC POPULATIONS



Latino Homeownership: Gaps and Barriers

Just under half of Latino households in Minnesota (49 percent) own the home they live in. The Latino homeownership rate in Minnesota is almost 30 percentage points lower than the rate among Whites⁵ in the state (77 percent).⁶ Compared to White Minnesotans, Latinos are less likely to have ever owned a home and are homeowners for shorter periods of time on average. Latinos have shorter homeownership durations than Whites both because they tend to become homeowners later in life and are more likely to exit from homeownership.⁷

Many factors contribute to the White-Latino homeownership gap. Compared to White Minnesotans, Latinos are younger on average and therefore have had less time to become homeowners. Latinos in the state tend to have fewer resources available for down payments and closing costs than White Minnesotans due to lower levels of income, wealth, and extended family resources. Because a large portion of Minnesota's Latino population are first- and second-generation immigrants, they tend to have less credit market experience and fewer homeowners in their social circle. This, in turn, helps explain why Latinos in Minnesota tend to have lower credit scores and knowledge of the homebuying process than their White counterparts.⁸ Discrimination may also play a role in the homeownership gap. A statistical analysis of Twin Cities bank lending practices found that metro region banks were more likely to deny home loans to nonwhite homebuyers, even after adjusting for other factors.⁹

The White-Latino homeownership gap is not uniform throughout the state. The Latino homeownership rate is higher and the homeownership gap smaller in certain counties. In Anoka, Rice, and Washington counties, estimates suggest that the White-Latino homeownership gap is less than 20 percentage points and more than three in five Latino households (60 percent) own the home they live in (see Table 2).¹⁰ However, the Latino ownership estimates have wide margins of error and should be interpreted with care. Further research is needed to determine the accuracy of these estimates as well as what factors may account for Latino homeownership rate differences among these counties.

⁵ In this policy brief, White refers to the White, non-Hispanic population.

⁶ [Homeownership Programs & Manufactured Housing Update. \(2021\). MN Housing.](#)

⁷ [Skobba, K. \(2013, November 22\). Understanding homeownership disparities among racial and ethnic groups. Minnesota Homeownership Center.](#)

⁸ [Ibid.](#)

⁹ [Myers, S., Lee, W. F., & Toney, J. \(2015, February 2\). Responsible banking in the Twin Cities: Analysis of Banking Practices Based on 2008 - 2013 HMDA & CRA data. IDEAS.](#)

¹⁰ [Demographic Characteristics. U.S. Census Bureau.](#)



TABLE 2. HISPANIC AND WHITE HOMEOWNERSHIP RATES IN MINNESOTA COUNTIES WITH LARGE HISPANIC POPULATIONS

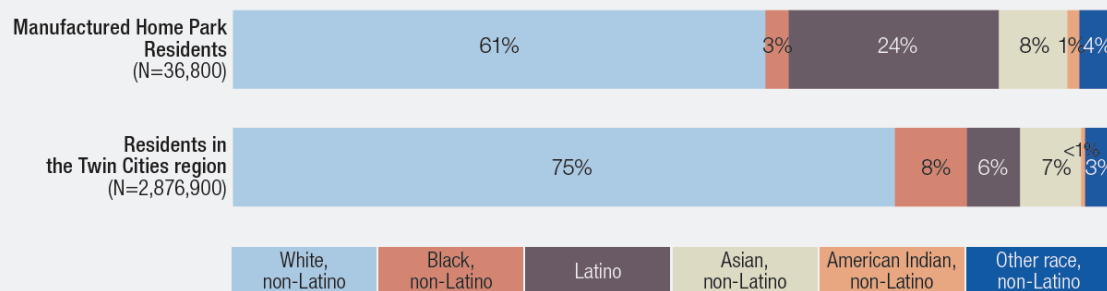
COUNTY	REGION	HISPANIC OWNERSHIP RATE (ESTIMATED)	MARGIN OF ERROR (90% CI)	WHITE, NON-HISPANIC OWNERSHIP RATE (ESTIMATED)	MARGIN OF ERROR (90% CI)	WHITE-HISPANIC HOME OWNERSHIP GAP (ESTIMATED)
Washington	Twin Cities	71%	± 4.6%	83%	± 0.5%	12%
Rice	Southern	62%	± 11.4%	77%	± 1.4%	15%
Anoka	Twin Cities	64%	± 3.7%	83%	± 0.6%	19%
Stearns	Central	50%	± 9.3%	73%	± 0.6%	23%
Mower	Southern	51%	± 10.4%	79%	± 1.4%	28%
Ramsey	Twin Cities	41%	± 2.4%	69%	± 0.5%	28%
Olmsted	Southern	47%	± 6.5%	77%	± 0.7%	30%
Kandiyohi	Southwest	48%	± 5.0%	80%	± 0.9%	32%
Dakota	Twin Cities	46%	± 4.5%	79%	± 0.4%	33%
Nobles	Southwest	48%	± 9.5%	82%	± 2.0%	34%
Hennepin	Twin Cities	36%	± 2.4%	71%	± 0.3%	35%
Scott	Twin Cities	48%	± 7.6%	85%	± 1.0%	38%
MINNESOTA STATEWIDE		49%		77%		28%

Sources: [Demographic Characteristics for Occupied Housing Units. \(2019\). U.S. Census Bureau, Homeownership Programs & Manufactured Housing Update. \(2021\). MN Housing.](#)

Latinos in Manufactured Homes: An Affordable Alternative At Risk

An estimated 180,000 Minnesotans live in manufactured home parks.¹¹ The statewide racial demographics of manufactured home park residents is unclear, but it is likely that Latinos are a relatively large share of park residents. According to a 2016 report by the Metropolitan Council, Latinos were 6 percent of the Twin Cities metro's population, but 24 percent of the region's manufactured home park residents (see Figure 2).¹²

FIGURE 2. RACE OF TWIN CITIES MANUFACTURED HOME PARK RESIDENTS AND THE REGION OVERALL



Source: U.S. Census Bureau, American Community Survey Public Use Microdata Sample, 2010-2014.
Note: The Ns here do not match other figures because the data source differs, and race and ethnicity may not be available for all persons.

¹¹ [Fact Sheet - Manufactured Home Parks in Minnesota. \(2020\). All Parks Alliance for Change.](#)

¹² [A resource at risk: The Twin Cities region's manufactured housing in 2015. \(2016, June\). Metropolitan Council.](#)

Manufactured homes are an important source of affordable housing. According to a 2013 survey, the median manufactured home resident paid substantially less for housing (\$701/month) than other renters (\$876/month) or homeowners (\$1,262/month). In 2015, 100% of manufactured homes in the Twin Cities were affordable to households with very low incomes (50% of area median income), while 89% were affordable to those with extremely low incomes (30% of AMI).¹³

Unfortunately, Latinos and other manufactured home park residents in Minnesota are at risk of displacement and often experience poor living conditions. More manufactured home parks have closed than have opened in the past 30 years in Minnesota, even though other types of housing have grown substantially over the same period.¹⁴ These closures and the corresponding displacement of residents are due to redevelopment pressures and highway expansion projects, especially in the Twin Cities.¹⁵ Many parks also have aging roads as well as water, sewer, and electrical systems built before 1970 that affect the quality of life for park residents. Because this infrastructure is privately owned in most cases, there is no regular schedule for municipal investment for repairs and improvements.¹⁶

Lack of Affordability and Other Challenges

Regarding housing affordability, almost half of Minnesota renter households (44 percent) experience housing cost burden, which means they pay more than 30 percent of their income on rent and other housing costs. Almost a quarter of renters (22 percent) experience severe housing cost burden (paying more than 50 percent of their income on housing). Among owner households in Minnesota, one in five (20 percent) are cost-burdened and 7 percent are severely cost-burdened.¹⁷ Because Latinos and other households of color are more likely to be renters than homeowners and have lower incomes on average than White households, cost burden disproportionately impacts households of color. Two in five households of color (40 percent) are cost-burden compared to less than one in four white households (23 percent).¹⁸

In broad terms, the lack of affordable housing in Minnesota is attributable to two factors: types of housing and supply of housing. Regarding types of housing, the price distribution of the housing stock is skewed toward more expensive units. Regarding supply, there is a housing shortage created by the limited production of housing from 2007 to 2015 due to the Great Recession.¹⁹ The housing shortage puts demand pressure on housing units at all price levels, making them more expensive than they otherwise would be if there were no shortage.

Beyond affordability concerns, Latino immigrants in renter households in Minnesota are more likely to reside in substandard housing units with health and safety hazards such as lead paint and pest infestations. Language and documentation barriers make it more difficult for Latino immigrants to pass background checks and meet other application conditions required to move into safer housing. Some landlords take advantage of language barriers and documentation issues to charge immigrant tenants extra fees and ignore maintenance requests.²⁰ Latino Minnesotans are also three times as likely to be homeless than Whites in the state.²¹

¹³ [*Ibid.*](#)

¹⁴ [*Fact Sheet. All Parks Alliance for Change.*](#)

¹⁵ [*Manufactured home park preservation project. \(2016, June\). Metropolitan Council.*](#)

¹⁶ [*Toward a comprehensive manufactured housing preservation program. \(2021, January 21\). Northcountry Cooperative Foundation.*](#)

¹⁷ [*State of the State's Housing 2019. \(2019\). Minnesota Housing Partnership.*](#)

¹⁸ [*Ibid.*](#)

¹⁹ [*Understanding Affordable Housing. \(2021, January 14\). Minnesota Housing Partnership.*](#)

²⁰ [*Key Housing Issues Facing Immigrant Communities in the Twin Cities. \(2017, November\). Minnesota Budget Project.*](#)

²¹ [*Overview of homelessness - Minnesota House of Representatives, Preventing Homelessness Division. \(2021, January 13\). Minnesota Interagency Council on Homelessness.*](#)

Pandemic Pressures and Responses

The COVID-19 pandemic has had a disparate impact on Latino Minnesotans. After adjusting for age differences, Latinos have tested positive at nearly three times the rate of White Minnesotans, been hospitalized at over four times the White rate, and have died at six times the rate of Whites. Higher positivity rates are partly because Latinos are more likely than other Minnesotans to work in industries like food production with heightened virus exposure risk. At the same time, Latino Minnesotans are more likely to work in industries like restaurants and hospitality that have suffered layoffs.²²

While Minnesota Latinos are more likely to have been sick, hospitalized, and laid off, Latinos in immigrant households were less likely to have access to relief funds – funds that many families used to continue making housing payments in spite of lost income and emergency expenses. While access to unemployment benefits expanded to more types of workers during the pandemic, laid off undocumented workers remain ineligible for these benefits.²³ Households with undocumented tax filers were also excluded from federal stimulus checks in Spring 2020.²⁴ For the latest round of federal stimulus checks (which began in December 2020), undocumented tax filers are still excluded but other members of their families are eligible to receive checks.²⁵

Fortunately, national and state eviction moratoriums have prevented large-scale evictions in Minnesota. In every month since the beginning of the national eviction moratorium on March 15, 2020, eviction filings in Minnesota have been at least 90 percent lower than historical averages.²⁶ Princeton’s Eviction Lab also gives Minnesota the highest rating of any state on its Housing Policy Scorecard, which rates how well state policies are protecting tenants from evictions.²⁷

While Latino immigrant families struggling with housing payments have been unable to access certain relief funds, they do have access to others, notably the COVID-19 Housing Assistance Program in 2020²⁸ and the forthcoming COVID-19 Emergency Rental Assistance Program.²⁹ Though just one in five Minnesotans (20 percent) is a person of color, more than half of the applicants (54 percent) for the COVID-19 Housing Assistance Program were people of color.³⁰ This indicates a high level of need among Latinos and other people of color for housing-related financial assistance. Community organizations have also set up smaller-scale relief funds like the Minnesota Immigrant Family Fund³¹ and the Pueblos Emergency Fund³² to aid immigrant families in need.

²² [COVID-19 data by race/ethnicity. \(2021\). State of Minnesota.](#)

²³ [Immigrant Worker Rights. \(2021\). iAmerica.](#)

²⁴ [Am I eligible to receive a stimulus check? \(2020, April 24\). Immigrant Law Center of Minnesota.](#)

²⁵ [Narea, N. \(2020, December 28\). Stimulus checks: Spouses and children of undocumented immigrants are eligible for aid. Vox.](#)

²⁶ [Minnesota | Eviction Tracking System. \(2021\). Eviction Lab.](#)

²⁷ [COVID-19 Housing Policy Scorecard. \(2021\). Eviction Lab.](#)

²⁸ [COVID-19 Housing Assistance Program. \(2021\). Minnesota Housing Finance Agency.](#)

²⁹ [COVID-19 Emergency Rental Assistance. \(2021\). Minnesota Housing Finance Agency.](#)

³⁰ [Housing Assistance Programs During COVID-19. \(2021, January 26\). Minnesota Housing Finance Agency.](#)

³¹ [Minnesota Immigrant Family Fund. \(2021\). Minnesota Immigrant Family Fund.](#)

³² [COVID-19 Emergency Fund recipient distribution map. \(2020\). Pueblos de Lucha y Esperanza.](#)



POLICY RECOMMENDATIONS



ACCESSIBLE EMERGENCY FUNDS TO PREVENT EVICTIONS & FORECLOSURES:

As eviction and foreclosure moratoriums wind down, the state should ensure that the forthcoming COVID-19 Emergency Rental Assistance Program and other emergency funds are accessible to Latino immigrant families and other Minnesotans in need to prevent a wave of evictions. Renters facing evictions should also have access to free legal counsel. Homeowners who are behind on their mortgage payments should have access to forbearance and renegotiation programs.

PRESERVE AFFORDABLE HOUSING:

Affordable rental units and manufactured home parks are vulnerable to redevelopment pressures in high-demand areas, leaving tenants at risk of displacement. Because redevelopment rarely replaces affordable units and building new affordable housing is more expensive than maintaining existing affordable units, preserving existing affordable housing must be a priority for the state.³³ Residents should also have the right to purchase their buildings and manufactured home parks before developers.

FACILITATE HOMEOWNERSHIP:

An estimated 61,000 households of color are income qualified for homeownership but continue to rent, including a sizeable number of Latino households.³⁴ To increase the rates of homeownership among Latinos, the state should support pathways into homeownership for homebuyers by increasing funding for financial assistance (for down payments and closing costs) and homeowner counseling.

INCENTIVIZE MORE & MORE AFFORDABLE HOUSING:

To reduce the number of cost-burdened households Minnesota needs to build more housing in general and more affordable housing in particular. The state should analyze how to effectively deploy public funds to increase the housing supply as well as the number of affordable units. The state should also fund repairs and improvements to existing affordable rental units and manufactured home park infrastructure.

³³ [*Treskon, M., & McTarnaghan, S. \(2016, August 24\). Anatomy of a preservation deal: Innovations in preserving affordable housing from around the United States. Urban Institute.*](#)

³⁴ [*Homeownership Minnesota. \(2021, January 21\). Homeownership Minnesota.*](#)

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